



TA CORPORATION LTD
(Company Registration No. 201105512R)

Unaudited First Quarter Financial Statements and Dividend Announcement for the Period Ended 31.03.2015

PART I - INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

1(a)(i)A Statement of Comprehensive Income, for the Group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Notes	Group		
		3 months ended		
		31.03.2015 S\$'000	31.03.2014 S\$'000	Change %
Revenue		67,739	65,995	2.6
Cost of sales		(56,315)	(54,408)	3.5
Gross profit		11,424	11,587	(1.4)
Other income	1	1,629	1,604	1.6
Selling and distribution costs		(234)	(1,084)	(78.4)
General and administrative expenses		(3,646)	(3,716)	(1.9)
Other operating expenses	2	(6,146)	(1,191)	416.0
Share of profit (losses), net of tax of associates and joint ventures	3	357	(1,005)	NM
Finance costs		(1,373)	(293)	368.6
Profit before income tax	4	2,011	5,902	(65.9)
Income tax expense		(1,210)	(1,083)	11.7
Profit after income tax		801	4,819	(83.4)
Other comprehensive income (loss):				
Item that may be reclassified subsequently to profit or loss				
Exchange differences on translation of foreign operations		1,257	(118)	NM
Gain in fair value on available-for-sale investments		50	-	100.0
Total comprehensive income for the period		2,108	4,701	(55.2)
Profit attributable to :				
Owners of the Company		559	4,459	(87.5)
Non-controlling interests		242	360	(3.3)
		801	4,819	(83.4)
Total comprehensive income attributable to:				
Owners of the Company		1,697	4,333	(60.8)
Non-controlling interests		411	368	11.7
		2,108	4,701	(55.2)
NM = Not meaningful				

1(a)(ii) Notes to Statement of Comprehensive Income

1. Other income

	Group	
	3 months ended	
	31.03.2015	31.03.2014
	S\$'000	S\$'000
Property rental income	576	545
Service fees income	144	180
Interest income	419	402
Gain on foreign exchange, net	366	70
Gain on disposal of property, plant and equipment	11	2
Others	113	405

2. Other operating expenses

Other operating expenses increased by S\$4.9 million to S\$6.1 million for 1Q2015 compared to 1Q2014 mainly due to the Group's impairment of the carrying amount of investment in the associate, Dalian Shicheng Property Development (S) Pte Ltd ("DLSC") by S\$4.8 million in 1Q2015. This impairment arose in view of the continuing depressed real estate market in Dalian, China, where DLSC's subsidiary operates.

3. Share of profit, net of tax of associates and joint ventures

The share of profit, net of tax of associates and joint ventures for first quarter ended 31 March 2015 ("1Q2015") comprises mainly the share of profit from Meadows Bright Development Pte Ltd, Eternal Synergy Pte Ltd and their subsidiaries which are partially off-set by share of losses from other associates and joint ventures.

4. Profit before income tax

	Group	
	3 months ended	
	31.03.2015	31.03.2014
	S\$'000	S\$'000
Profit before income tax for the period is stated after charging/ (crediting) the following:		
Depreciation of property, plant and equipment	1,225	1,142
Impairment loss on investment in associate	4,811	-
Loss in fair value of investment properties	-	150
Gain on disposal of property, plant and equipment	(11)	(2)
Interest income	(419)	(402)
Over provision of tax in prior years	(34)	(89)

1(b)(i) A Statement of Financial Position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	31.03.2015	31.12.2014	31.03.2015	31.12.2014
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Current assets				
Cash and bank balances	114,196	116,803	18,547	32,596
Trade and other receivables	163,880	173,417	89,505	74,485
Deposits and prepayments	3,211	3,257	30	25
Available-for-sale investments	9,487	9,437	-	-
Inventories	4,313	4,871	-	-
Development properties	217,714	235,456	-	-
Total current assets	512,801	543,241	108,082	107,106
Non-current assets				
Property, plant and equipment	37,096	35,656	-	-
Investment properties	211,649	192,669	-	-
Subsidiaries	-	-	116,965	116,965
Goodwill	2,595	2,595	-	-
Associates and joint ventures	8,996	6,530	-	-
Other receivables	15,947	-	-	-
Other non-current assets	400	400	-	-
Deferred tax assets	315	269	-	-
Total non-current assets	276,998	238,119	116,965	116,965
Total assets	789,799	781,360	225,047	224,071
LIABILITIES AND EQUITY				
Current liabilities				
Borrowings	91,210	91,291	-	-
Trade and other payables	159,818	163,157	3,370	2,343
Current portion of finance leases	347	388	-	-
Income tax payable	5,264	4,710	-	-
Total current liabilities	256,639	259,546	3,370	2,343
Non-current liabilities:				
Borrowings	201,728	191,110	-	-
Finance leases	654	725	-	-
Term notes	74,208	74,082	74,208	74,082
Deferred tax liabilities	1,962	1,952	-	-
Total non-current liabilities	278,552	267,869	74,208	74,082
Capital, reserves and non-controlling interests				
Share capital	142,185	142,185	142,185	142,185
Capital reserve	644	644	-	-
Translation and other reserves	1,899	761	-	-
Retained earnings	101,357	100,798	5,284	5,461
Equity attributable to owners of the Company	246,085	244,388	147,469	147,646
Non-controlling interests	8,523	9,557	-	-
Total equity	254,608	253,945	147,469	147,646
Total liabilities and equity	789,799	781,360	225,047	224,071

1(b)(ii) Aggregate amount of Group's borrowings and debt securities.

	As at 31.03.2015		As at 31.12.2014	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Amount repayable in one year or less, or on demand	82,971	8,586	87,058	4,621
Amount repayable after one year	202,382	74,208	191,284	74,633
Total	285,353	82,794	278,342	79,254

Details of any collateral

Collateral for the above secured borrowings include mortgages over the Group's investment properties, development properties, leasehold properties, certain property, plant and equipment and fixed deposits. The bank facilities are also secured by corporate guarantees from the Company and certain of these facilities are also secured by guarantees from certain minority shareholders of partially-owned subsidiaries.

1(c) A Consolidated Statement of Cash Flows (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	3 months ended	
	31.03.2015 S\$'000	31.03.2014 S\$'000
Operating activities		
Profit before income tax	2,011	5,902
Adjustments for :		
Depreciation expense	1,225	1,142
Share of (profit)/ losses of associates and joint ventures	(357)	1,005
Gain on disposal of property, plant and equipment	(11)	(2)
Interest expense	1,373	293
Interest income	(419)	(402)
Impairment loss on investment in associate	4,811	-
Loss in fair value of investment properties	-	150
Reversal of doubtful debts	(5)	-
Operating cash flows before movements in working capital	8,628	8,088
Trade and other receivables	(1,817)	(3,943)
Deposits and prepayments	46	1,317
Inventories	558	(155)
Development properties	20,904	(1,578)
Trade and other payables	(3,186)	(3,831)
Cash generated from/ (used in) operations	25,133	(102)
Income tax (paid) refund	(680)	105
Interest paid	(3,063)	(1,166)
Net cash from/ (used in) operating activities	21,390	(1,163)

Investing activities

Advance to associates and joint ventures	(4,589)	-
Investment in associates and joint ventures	(7,078)	-
Investment properties	(18,980)	-
Interest received	419	402
Purchase of property, plant and equipment	(2,517)	(3,045)
Proceeds from disposal of property, plant and equipment	17	16
Proceed from issue of shares in subsidiaries to non-controlling shareholders	205	-
Net cash used in investing activities	(32,523)	(2,627)
Financing activities		
Proceeds from borrowings	17,591	2,058
Repayment of borrowings	(6,928)	(3,896)
Repayment of obligations under finance leases	(112)	(117)
Pledged fixed deposits	328	-
Dividends paid to non-controlling shareholders	(1,714)	-
Net cash from (used in) financing activities	9,165	(1,955)
Decrease in cash and cash equivalents	(1,968)	(5,745)
Cash and cash equivalent at beginning of the period	115,711	95,788
Effect of exchange rate changes	(311)	1
Cash and cash equivalents at end of the period	113,432	90,044

Cash and cash equivalents at end of the period comprise the following:

Cash and bank balances	81,047	75,510
Fixed deposits	33,149	15,047
	114,196	90,557
Less: pledged fixed deposits	(764)	(513)
Cash and cash equivalents at end of the period	113,432	90,044

1(d)(i) A Statement of Changes in Equity (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

<u>Group (S\$'000)</u>	<u>Share capital</u>	<u>Capital reserve</u>	<u>Translation and other reserves</u>	<u>Retained earnings</u>	<u>Equity attributable to owners of the Company</u>	<u>Non-controlling interests</u>	<u>Total Equity</u>
Balance at January 1, 2014	142,185	644	(360)	85,117	227,586	13,189	240,775
Proceed from issue of shares in subsidiaries to non-controlling shareholders	-	-	-	-	-	871	871
Total comprehensive income for the year	-	-	1,121	20,331	21,452	1,561	23,013
Dividends	-	-	-	(4,650)	(4,650)	-	(4,650)
Dividends to non-controlling shareholders	-	-	-	-	-	(6,064)	(6,064)
Balance at December 31, 2014	142,185	644	761	100,798	244,388	9,557	253,945
Proceed from issue of shares in a subsidiary to non-controlling shareholders	-	-	-	-	-	205	205
Total comprehensive income for the period	-	-	1,138	559	1,697	411	2,108
Dividends to non-controlling shareholders	-	-	-	-	-	(1,650)	(1,650)
Balance at March 31, 2015	142,185	644	1,899	101,357	246,085	8,523	254,608

<u>Company (S\$'000)</u>	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total equity</u>
Balance at January 1, 2014	142,185	11,352	153,537
Total comprehensive loss for the year	-	(1,241)	(1,241)
Dividends	-	(4,650)	(4,650)
Balance at December 31, 2014	142,185	5,461	147,646
Total comprehensive loss for the period	-	(177)	(177)
Balance at March 31, 2015	142,185	5,284	147,469

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Since 31 December 2014, there has been no change to the total number of issued shares of the Company.

As at end of 31 March 2015, the Company does not have any outstanding convertibles or treasury shares (31 December 2014: Nil)

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding financial year.

The total number of shares at 31 March 2015 was 465,000,000 (31 December 2014: 465,000,000). The Company has no treasury shares.

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

2 Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited nor reviewed by the Company's auditors.

3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

As disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period as compared with those used in the audited financial statements for the year ended 31 December 2014.

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effects of, the change.

The Group has adopted all the new and revised Financial Reporting Standards ("FRS") and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual periods beginning on or after 1 January 2015. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the Group's and Company's accounting policies and has no material effect on the amounts reported for the current period or prior years.

6 Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

- (i) Earnings per ordinary shares based on weighted average number of shares (in cents)
(ii) Earnings per ordinary shares based on a fully diluted basis (in cents)
Weighted average number of ordinary shares (in millions)

Group	
3 months ended	
31.03.2015	31.03.2014
0.1	1.0
0.1	1.0
465.0	465.0

As there were no outstanding potentially dilutive ordinary shares, the diluted earnings per ordinary shares were the same as the earnings per ordinary shares for the respective periods.

7 Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year.

- Net asset value per ordinary share (in cents)
Total number of issued shares at end of the financial period (in millions)

Group		Company	
31.03.2015	31.12.2014	31.03.2015	31.12.2014
52.9	52.6	31.7	31.8
465.0	465.0	465.0	465.0

There were no treasury shares at the end of the respective financial periods.

8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs and earnings of the Group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Review of Group performance

The Group recorded S\$67.7 million in revenue for 1Q2015, a marginal increase of 2.6% compared to S\$66.0 million for the corresponding period in 1Q2014. The increase was due mainly to higher revenue for the real estate development and distribution segments partially offset by lower revenue for the construction segment.

Real estate development segment recorded S\$20.7 million revenue in 1Q2015 compared to S\$8.8 million in 1Q2014, an increase of 135.2%. While two of our on-going projects, Gambir Ridge and Ascent @ 456 contributed to the higher revenue in 1Q2015, there was lower revenue contribution in 1Q2015 from The Cristallo which achieved TOP in February 2015. Our mixed development projects in Thailand contributed revenue of S\$1.8 million in 1Q2015 upon the completion of the development and progressive handover of sold units to buyers.

Distribution of lubricants and tyres business recorded S\$4.0 million revenue in 1Q2015 compared to S\$3.3 million in 1Q2014, an increase of 21.2%. The increase was mainly due to higher contribution from our distribution business in Myanmar.

Construction segment recorded revenue of S\$43.0 million, a 20.2% decrease in 1Q2015 compared to S\$53.9 million in 1Q2014. While higher revenue was recognised from progressive construction work completed for The Skywoods and Highline Residences, lower revenue was recognised from progressive construction work completed for Riversails, Marine Point, The Sorrento, Nouvel 18 and Foresque Residences.

Despite the marginal increase in Group's revenue, gross profit decreased by 1.4% to S\$11.4 million for current period compared to S\$11.6 million in 1Q2014 attributed mainly to higher construction cost and reduced margins for real estate development.

Selling and distribution costs decreased by S\$0.9 million to S\$0.2 million in 1Q2015 compared to S\$1.1 million in 1Q2014 due mainly to the absence of show-flat cost in 1Q2015.

Other operating expenses increased by S\$4.9 million to S\$6.1 million for 1Q2015 compared to 1Q2014 mainly due to the Group's impairment of the carrying amount of investment in the associate, Dalian Shicheng Property Development (S) Pte Ltd ("DLSC") by S\$4.8 million in 1Q2015. This impairment arose in view of the continuing depressed real estate market in Dalian, China, where DLSC's subsidiary operates.

Finance cost increased by S\$1.1 million to S\$1.4 million for 1Q2015 compared to 1Q2014 mainly due to accrued interest cost on term notes issued in April 2014.

The Group achieved profit before income tax of S\$2.0 million in 1Q2015 compared to S\$5.9 million in 1Q2014. Income tax expense is higher than the statutory tax rate as the impairment of S\$4.8 million on the carrying amount of DLSC is not tax deductible.

The Group's profit after income tax was S\$0.8 million for 1Q2015 compared to S\$4.8 million for 1Q2014.

Review of cash flow, working capital, assets and liabilities

The changes in assets and liabilities are as follow:

- i) decrease in development properties by S\$17.7 million was mainly due to additional progress billings to buyers deducted from development cost as the projects progress and the removal of cost of project completed in 1Q2015.
- ii) increase in investment properties by S\$19.0 million was due to costs incurred on construction of the Tuas South dormitory project at Tuas. Construction of the dormitory project is scheduled to be completed by mid-2016.
- iii) increase in associates and joint ventures by S\$2.5 million was mainly due to investment in three new joint ventures, namely, Synergy Performance Oil Pte Ltd which distributes lubricants and related products in the region, Synergy Truck Pte Ltd which distributes commercial vehicles, including trucks and buses in Myanmar and Eternal Synergy Pte Ltd which distributes lubricants and related products in Myanmar. This is partially offset by impairment loss of \$4.8 million on investment in the associate, DLSC.
- iv) increase in net borrowings by S\$10.5 million mainly to finance the construction of the Tuas South dormitory.

Cash and cash equivalents decreased by S\$2.0 million in 1Q2015 mainly from the following items: cash flow from operating activities was S\$21.4 million deriving from profit made for the quarter and collection of progress billings on properties sold. S\$32.5 million was spent on investing activities mainly on investment in the construction of the Tuas South dormitory project and investment in the three new joint ventures. The proceeds from new bank loans net of repayment on old bank loans was S\$10.7 million while dividends paid to non-controlling shareholders amounted to S\$1.7 million.

9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

The Company has not made any forecast or prospect statement for the period ended 31 March 2015 previously.

10 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Prices of private residential properties and number of new private residential units sold in Singapore continue to decline in 1Q2015 on a quarter-on-quarter basis as indicated in the Urban Redevelopment Authority's press release on 24 April 2015. The Group expects Singapore's private property market to continue to be challenging over the near term.

Private residential construction demand in Singapore is expected to moderate to between S\$11 billion and S\$15 billion in 2015 compared to S\$18 billion in 2014 according to the Building and Construction Authority news release on 8 January 2015. Despite the challenging outlook, the Group remains confident of its construction business performance underpinned by an order book of S\$297 million as at 31 March 2015, to be delivered progressively over the next two years.

The Group's overseas expansion strategy is bearing results with its subsidiary in Thailand contributing S\$1.8 million in revenue for 1Q2015 upon the completion and progressive transfer of ownership of units sold to buyers from two of its mixed development projects. Revenue from distribution of lubricants and tyres in Myanmar also increased from S\$1.9 million in 4Q2014 to S\$2.1 million in 1Q2015.

The Group's Tuas South dormitory development is currently on track to be completed by mid-2016 as scheduled. Expansion into the dormitory business is one of the Group's strategies to increase recurring income.

The Group remains on the lookout for strategic business opportunities locally and overseas to expand earning base and increase recurring income.

As stated in section 8 above, an impairment charge of S\$4.8 million has been made in 1Q2015 in respect of the Group's investment in the associate DLSC in view of the continuing depressed real estate market in Dalian, China, where DLSC's subsidiary operates. In addition, the Board will commission an independent property valuer to provide an updated valuation of the real estate properties of DLSC as soon as possible. Management will reassess the net assets of DLSC based on this updated fair value of real estate; and also correspondingly update the assessment of the extent of any impairment of receivables from DLSC to the Group. At 31 March 2015, total receivables owing by DLSC to the Group amounted to S\$15.9 million and is included in non-current other receivables after reassessing sales plan of DLSC's subsidiary and funding needs of DLSC.

11 Dividend

(a) Current Financial Period Reported On

(i) Any dividend declared for the current financial period reported on? No.

(ii) Any dividend recommended for the current financial period reported on? No.

(b) Corresponding period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? No.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12 If no dividend has been declared / recommended, a statement to that effect.

No dividend has been declared or recommended in the current financial period.

13 If the group has obtained general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920 (1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group has not obtained a general mandate for interested person transactions. During the period, the following interested person transaction was entered into by the Group:

Name of Interested person	Aggregate value of all interested person transactions (excluding transactions less than S\$100,000 and transactions Conducted under shareholders' mandate Pursuant to Listing Manual Rule 920) (S\$'000)	Aggregate value of all interested person transactions conducted under shareholders' mandate Pursuant to Listing Manual Rule 920 (excluding transactions less than S\$100,000) (S\$'000)
Liong Kiam Teck (Note 1)	834	N.A.

Note 1:

On 22 January 2014, a subsidiary entered into a cost-plus contract with Mr Liong Kiam Teck, the Executive Chairman of the Company, for the erection of three 3-storey strata bungalows. Under the contract, estimated cost of S\$4 million plus a 5% mark up on cost incurred shall be billed progressively according to work done. For the three months ended 31 March 2015, billing of S\$833,991 was rendered. As at 31 March 2015, cumulative billing of S\$1,981,946 has been rendered based on certified work done.

14 Confirmation pursuant to Rule 705(5) of the Listing Manual

We confirm on behalf of the Board of Directors, that, to the best of our knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited first quarter financial results of the Group and the Company for the period ended 31 March 2015 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Liong Kiam Teck
Executive Chairman

Neo Tiam Boon
Chief Executive Officer and Director

BY ORDER OF THE BOARD

Foo Soon Soo/ Yap Ming Choo
Company Secretaries

13 May 2015